

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 06/20/2012

POSITION: Neutral

BILL NUMBER: AB 2663

AUTHOR: Asm Public Employees,
Retirement/Soc Sec

SPONSOR: California State Teachers' Retirement System

BILL SUMMARY: Teachers' Retirement Law.

This bill makes various amendments to statutes affecting the California State Teachers' Retirement System (CalSTRS).

FISCAL SUMMARY

CalSTRS estimates the provisions of this bill would result in minor and absorbable administrative costs.

COMMENTS

Finance is neutral on this bill. This bill contains changes to various statutes affecting CalSTRS that are generally technical and conforming. Minor policy changes in the omnibus bill would do the following:

- Clarify that CalSTRS, as an organization, has the authority to subpoena records and compel the attendance of witnesses as part of an investigation, in addition to the Board's authority to issue subpoenas.
- Expand the Controller's authority to withhold payments to school districts and community college districts if the districts fail to pay fines levied by CalSTRS for delinquent reports about employee compensation.
- Allow employees to receive service credit for unused sick leave from multiple employers if the employee worked for more than one employer during the employee's last year of employment, provided the unused sick leave has not been transferred to another employer.
- Allow CalSTRS to reduce disability benefits by the amount of workers' compensation benefits a member is receiving for permanent disability, temporary disability, and vocational disability. Current law only permits CalSTRS to reduce disability benefits if a member is receiving one of the workers' compensation benefit categories, not a combination of them.
- Clarify that pension reductions for retired annuitants who retire before age 60 and who exceed the earnings limits for post-retirement work cannot be greater than the total benefit amount. The bill also clarifies that retired-annuitant income gained from part-time community college instruction counts against the earnings limit.
- Consolidate required reporting information from the Investments and Payroll Report, Investment Contracts Report, and Purchasing Power Report into the CalSTRS CAFR. Some of this information currently exists in the CAFR; therefore, this would reduce duplicative reporting requirements.

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| Analyst/Principal (0931) K.Martone | Date | Program Budget Manager Diana Ducay | Date |
| Department Deputy Director | | Date | |
| Governor's Office: | By: | Date: | Position Approved _____ Position Disapproved _____ |
| BILL ANALYSIS | | | Form DF-43 (Rev 03/95 Buff) |

BILL ANALYSIS--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**Asm Public Employees,
Retirement/Soc Sec

06/20/2012

AB 2663

| Code/Department Agency or Revenue Type | SO | (Fiscal Impact by Fiscal Year) | | | | | |
|--|----|--------------------------------|------------------------------------|--------------|--------------|-----------|------|
| | LA | (Dollars in Thousands) | | | | | |
| | CO | PROP | | | | | Fund |
| | RV | 98 | FC | 2012-2013 FC | 2013-2014 FC | 2014-2015 | Code |
| 1920/STRS | SO | No | ----- No/Minor Fiscal Impact ----- | | | | 0001 |